

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Michael Kubayanda, Chairman;
Ashley E. Poling, Vice Chairwoman;
Mark Acton;
Ann C. Fisher; and
Robert G. Taub

Periodic Reporting
(Proposal Four)

Docket No. RM2021-7

NOTICE OF PROPOSED RULEMAKING ON ANALYTICAL PRINCIPLES
USED IN PERIODIC REPORTING (PROPOSAL FOUR)

(Issued July 27, 2021)

I. INTRODUCTION

On July 22, 2021, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports.¹ The Petition identifies the proposed analytical changes filed in this docket as Proposal Four.

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Four), July 22, 2021 (Petition).

II. PROPOSAL FOUR

Background. The Postal Service currently develops the distribution factors used for the Special Purpose Route (SPR) city carrier cost pools based on manual data collection through the City Carrier Costing System SPR subsystem (CCCS-SPR). The Commission approved the use of this subsystem in Order No. 339, and it has been used each year since FY 2009.²

Proposal. With Proposal Four, the Postal Service seeks to replace the CCCS-SPR subsystem with a new system called the Special Purpose Carrier Cost System (SPCCS). The Postal Service cites two objectives for this new system: “to replace manual sampling with scan data from Product Tracking and Reporting (PTR) combined with the clock rings from the Time and Attendance Collection System (TACS)” and to “separate the weekday SPR cost pool into peak and non-peak pools and provide separate distribution factors for each cost pool.” Petition, Proposal Four at 2.

With respect to the first objective, the Postal Service plans to use PTR delivery scans that occur within time blocks when a city carrier is clocked to Management Operating Data System (MODS) Operating Codes specific to Special Purpose Routes. *Id.* The Postal Service proposes to use a sample of time blocks “[d]ue to the disproportionate resources required to obtain a complete nationwide census.” *Id.*

Regarding the second objective, the Postal Service proposes to disaggregate the volume variabilities used for the SPR Monday through Saturday cost pool in order to create separate non-peak and peak weekday SPR cost pools. *Id.* at 3. The Postal Service also proposes annual updates to the hours used to weight the new weekday non-peak SPR cost pool variabilities. *Id.*

Impact. The impacts of Proposal Four are outlined in Table 1 of the proposal. *Id.* at 7. The most significant change in unit costs is a decrease of \$0.1743 for Collect on Delivery Service. *Id.* The unit cost of USPS Marketing Mail Parcels would increase by

² See Docket No. RM2009-10, Order on Analytical Principles Used in Periodic Reporting (Proposals Three through Nineteen), November 13, 2009 (Order No. 339); Petition, Proposal Four at 1.

\$0.0151, from \$0.238 to \$0.254 per unit. *Id.* The unit cost for total domestic market dominant services would decrease by \$0.0144 per unit. *Id.*

III. NOTICE AND COMMENT

The Commission establishes Docket No. RM2021-7 for consideration of matters raised by the Petition. More information on the Petition may be accessed via the Commission's website at <http://www.prc.gov>. Interested persons may submit comments on the Petition and Proposal Four no later than August 23, 2021. Pursuant to 39 U.S.C. 505, Manon Boudreault is designated as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. RM2021-7 for consideration of the matters raised by the Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Four), filed July 22, 2021.
2. Comments by interested persons in this proceeding are due no later than August 23, 2021.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Manon Boudreault to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Erica A. Barker
Secretary